

2005-06 California State Budget Summary

Rural Specific Budget Highlights

Public Health Programs

Cigarette and Tobacco Products Surtax Fund-Proposition 99 — The Budget includes \$210.8 million Proposition 99 funds for DHS, an increase of \$21.3 million over the revised 2004 Budget Act. This increase is due to one-time increases in Proposition 99 revenues and one-time savings made available from the fund balance in the Major Risk Medical Insurance Fund. In addition, Chapter 14, Statutes of 2005, modified Proposition 99 to allow the state to use certain Proposition 99 funds to meet matching requirements for federal funds. This legislation will allow California to maximize federal funding for health services programs, while providing the state with increased flexibility in administering Proposition 99 funds.

The availability of additional one-time Proposition 99 funds makes it possible for California to expand support on a one-time basis for important public health programs as follows:

Rural Health Services Program — \$7.2 million, an increase of \$2.6 million over the revised 2004 Budget Act, to provide funding to smaller counties to reimburse private physicians, emergency physicians, and hospitals for uncompensated care.

Rural Health Demonstration Projects — \$2.9 million to increase funding for additional Rural Health Demonstration Projects administered by the Healthy Families Program. These projects provide much needed access to health care in rural areas for underserved populations such as migrant seasonal workers, American Indians, and fishing and forestry workers.

Item 4260-001-0001—For support of Department of Health Services. I reduce this item from \$244,093,000 to \$241,093,000 by reducing:
(1) 10-Public and Environmental Health from \$313,379,000 to \$310,379,000, and by deleting Provision 11. I am deleting the \$3,000,000 legislative augmentation to continue the Improved Access, Counseling and Treatment for Californians with Prostate Cancer (IMPACT) program, as it is not prudent to expand programs in light of the projected structural deficit in 2006-07, and because of the absence of an evaluation of the effectiveness of the IMPACT program, especially given the 45 percent non-clinical overhead costs of the program. Without restructuring program operations, it is not clear that the benefits of this program for the small number of beneficiaries (341 in 2004-05) outweigh the costs. My Budget places a high priority on protecting health care services and maintains eligibility for health insurance for millions of low-income Californians. It increases funding for indigent health care services providing \$73,500,000 to support indigent healthcare in the California Healthcare for Indigents and Rural Health Services programs.

Item 4280-104-0236—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program Rural Health Demonstration Project.

I am sustaining the \$1,000,000 legislative augmentation for the Rural Health Demonstration Project (RHDP) on a one-time basis. The RHDP provides a valuable service to explore how to improve access to health care services for the medically underserved and uninsured populations in rural areas, as well as for special populations.

Local Assistance

Small and Rural Sheriffs' Grant Program — The Budget Act provides \$18.5 million for this program, which provides sheriffs' departments in 37 counties with statutorily specified grants of \$500,000. This funding gives the flexibility at the local level to allow county sheriffs to direct moneys to improve public safety in their jurisdiction. County sheriffs may use these moneys for whichever law enforcement activities best meet their individual needs.

Rural Crime Prevention — The Budget Act provides \$3.6 million for the rural crime prevention activities throughout the state. Of this amount, \$3.3 million will fund the existing Central Valley Rural Crime Prevention Program and \$300,000 will be provided to Monterey County planning activities to implement the Central Coast Rural Crime Prevention Program.

For Highlights of the 2005-06 State Budget go to:

ftp://ftpgovbud.dof.ca.gov/pub/VetoPackage/Veto_Pkg_05_w2.pdf